



[Docket No. **OP-1794**]

Regulation Q; Regulatory Capital Rules: Risk-based Capital Surcharges for Global Systemically Important Bank Holding Companies

AGENCY: Board of Governors of the Federal Reserve System (Board).

ACTION: Notice.

SUMMARY: The Board is providing notice of the 2022 aggregate global indicator amounts, as required under the Board's rule regarding risk-based capital surcharges for global systemically important bank holding companies (GSIB surcharge rule).

DATES: The 2022 aggregate global indicator amounts are effective December 16, 2022.

FOR FURTHER INFORMATION CONTACT: Juan Climent, Assistant Director (202) 872-7526, Brian Chernoff, Manager (202) 452-2952, Christopher Appel, Lead Financial Institution Policy Analyst, (202) 973-6862, Naima Jefferson, Lead Financial Institution Policy Analyst, (202) 912-4613, or Alexander Jiron, Senior Financial Institution Policy Analyst I, (202) 450-7350, Division of Supervision and Regulation; or Mark Buresh, Special Counsel, (202) 452-5270, or Jonah Kind, Senior Counsel, (202) 452-2045, Legal Division. Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551. For the hearing impaired and users of Telecommunications Device for the Deaf (TDD) and TTY-TRS, please call 711 from any telephone, anywhere in the United States.

SUPPLEMENTARY INFORMATION: The Board's GSIB surcharge rule establishes a methodology to identify global systemically important bank holding companies in the United States (GSIBs) based on indicators that are correlated with systemic importance.¹ Under the GSIB surcharge rule, a firm must calculate its GSIB score using a specific formula (Method 1). Method 1 uses five equally weighted categories that are correlated with systemic importance – size, interconnectedness, cross-jurisdictional activity, substitutability, and complexity – and subdivided into twelve systemic indicators.

¹ See 12 CFR 217.402, 217.404.

A firm divides its own measure of each systemic indicator by an aggregate global indicator amount. A firm's Method 1 score is the sum of its weighted systemic indicator scores expressed in basis points. A firm that calculates a Method 1 score of 130 basis points or more is identified as a GSIB under the GSIB surcharge rule. The GSIB surcharge for a firm is the higher of the GSIB surcharge determined under Method 1 and a second method, Method 2, which is calculated based on measures of size, interconnectedness, cross-jurisdictional activity, complexity, and the firm's reliance on short-term wholesale funding.²

The aggregate global indicator amounts used in the score calculation under Method 1 are based on data collected by the Basel Committee on Banking Supervision (BCBS). The BCBS amounts are determined based on the sum of the systemic indicator amounts as reported by the 75 largest U.S. and foreign banking organizations as measured by the BCBS, and any other banking organization that the BCBS includes in its sample total for that year. The BCBS publicly releases these amounts, denominated in euros, each year.³ Pursuant to the GSIB surcharge rule, the Board publishes the aggregate global indicator amounts each year as denominated in U.S. dollars using the euro-dollar exchange rate provided by the BCBS.⁴ Specifically, to determine the 2022 aggregate global indicator amounts, the Board uses the year-end 2021 euro-denominated indicator amounts published by the BCBS and multiplies each of the euro-denominated indicator amounts by 1.1326, the euro to U.S. dollar spot exchange rate on December 31, 2021.⁵

² Method 2 uses similar inputs to those used in Method 1, but replaces the substitutability category with a measure of a firm's use of short-term wholesale funding. In addition, Method 2 is calibrated differently from Method 1.

³ The data used by the Board are available on the BCBS website at <https://www.bis.org/bcbs/gsib/denominators.htm>.

⁴ 12 CFR 217.404(b)(1)(i)(B); *see also* 80 FR 49082, 49086-87 (August 14, 2015). In addition, the Board maintains the GSIB Framework Denominators on its website, available at <https://www.federalreserve.gov/bankinfo/basel/denominators.htm>.

⁵ Foreign exchange rates provided by the BCBS. Available at https://www.bis.org/bcbs/gsib/denominators/gsib_framework_denominators_end21_exercise.xlsx.

The aggregate global indicator amounts expressed in U.S. dollars for purposes of the 2022 Method 1 score calculation under § 217.404(b)(1)(i)(B) of the GSIB surcharge rule are:

Aggregate Global Indicator Amounts in U.S. dollars (USD) for 2022

Category	Systemic indicator	Aggregate Global Indicator Amount (in USD)
Size	Total exposures	111,533,327,831,520
Interconnectedness	Intra-financial system assets	10,678,025,771,171
	Intra-financial system liabilities	11,153,556,096,294
	Securities outstanding	17,488,749,541,061
Substitutability	Payments activity	3,169,043,506,242,536
	Assets under custody	236,228,379,798,411
	Underwritten transactions in debt and equity markets	9,890,925,779,988
Complexity	Notional amount of over-the-counter (OTC) derivatives	654,401,074,148,984
	Trading and available-for-sale (AFS) securities	4,195,914,629,999
	Level 3 assets	706,810,510,301
Cross-jurisdictional activity	Cross-jurisdictional claims	26,851,595,167,043
	Cross-jurisdictional liabilities	23,056,216,512,890

Authority: 12 U.S.C. 248(a), 321-338a, 481-486, 1462a, 1467a, 1818, 1828, 1831n, 1831o, 1831p-l, 1831w, 1835, 1844(b), 1851, 3904, 3906-3909, 4808, 5365, 5368, 5371.

By order of the Board of Governors of the Federal Reserve System, acting through the Director of Supervision and Regulation under delegated authority.

Ann E. Misback,
Secretary of the Board.

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